

July 7, 2017

Honorable Michael Burgess
Chairman
Subcommittee on Health
House Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Honorable Raymond Eugene Green
Ranking Member
Subcommittee on Health
House Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Honorable Patrick Tiberi
Chairman
Subcommittee on Health
House Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Honorable Sander Levin
Ranking Member
Subcommittee on Health
House Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Burgess and Tiberi and Ranking Members Green and Levin:

We, the Governors, Delegates, and Resident Commissioner of the U.S. Territories, are writing to bring to your attention the Medicaid and Children's Health Insurance Program (CHIP) needs of our areas, and to seek your support to use reauthorization of CHIP to terminate or amend certain provisions of both CHIP and the Patient Protection and Affordable Care Act (PPACA) that unfairly disadvantage our areas.

By acting together in this way we hope to underscore the critical nature of the Medicaid program and CHIP on the lives of all our peoples.

We ask that the following provisions be included in the CHIP reauthorization:

- Make funding allotments provided to U.S. Territories under PPACA (codified at 42 USC §1308(g)(5) and 42 USC §18043(c)) available until expended;
- Remove the annual Medicaid and CHIP caps imposed on the U.S. Territories;
- Replace the arbitrarily low 55 percent Federal Medical Assistance Percentage provided to the U.S. Territories in PPACA and instead use the same FMAP formula that applies to states;
- Establish an equitable formula for Medicaid and Medicare disproportionate share hospitals (DSH) payments to the U.S. Territories and provide an option for the Territories to participate in DSH. Currently the Territories are not permitted to participate in DSH under either program.

As your committees prepare to mark up the reauthorization of CHIP, we urge you to include the provisions outlined above. These provisions will provide fair and equitable application of Medicaid and CHIP to the U.S. Territories, which rely heavily on these programs to provide essential health services.

Sincerely,

Enclosure

CC: Honorable, Paul Ryan, Speaker
Honorable Nancy Pelosi, Minority Leader

Aunna Anata Coleman Radewagen
Aunna Coleman Radewagen (American Samoa)
Member of Congress

Madeline Z. Bordallo
Madeleine Z. Bordallo (Guam)
Member of Congress

Gregorio Kilili Camacho Sablan
Gregorio Kilili Camacho Sablan (Northern Mariana Islands)
Member of Congress

Jennifer Gonzalez Colon
Jenniffer Gonzalez Colon (Puerto Rico)
Member of Congress

Stacey E. Plaskett
Stacey Plaskett (Virgin Islands)
Member of Congress

Lolo Matalasi Moliga
Lolo Matalasi Moliga
Governor, American Samoa

Eddie Baza Calvo
Eddie Baza Calvo
Governor, Guam

Ralph DeLeon Guerrero Torres
Ralph DeLeon Guerrero Torres
Governor, Northern Mariana Islands

Kenneth E. Mapp
Kenneth E. Mapp
Governor, Virgin Islands of the United States

Legislative Proposals for U.S. Territories

Make Funding Allotments Available Until Expended

- A bill language amendment would make funding allotments provided for the territories available until expended.
- Under current law these funds are available only through September 30, 2019.
- Since some of the territories may not be able to expend all of these funds prior to September 30, 2019, this amendment would keep the funds available until they could be utilized.

If there continues to be a statutory cap on the amount of annual funding available for Federal matching, territories can utilize available Section 1108(g)(5) funds for additional annual needs, preserving local funds until available for Federal matching. Extending the availability of this one time source of funding would help the territories deal with their shortfall of local resources available to pay for Medicaid services.

Remove the Annual Medicaid and SCHIP Caps on Territories

- Total Medicaid spending in the territories is subject to an annual limit or cap.
- The Federal government will only match Medicaid spending up to each territory's cap; any spending above the cap is not matched.
- With the cost of Medicaid services in the territories increasing, the territories must spend a greater share of their own scarce resources without receiving matching funds.

Eliminate the 55 percent Medicaid Federal Medicaid Assistant Program (FMAP) cap imposed on U.S. Territories

- The FMAP is a formula used to determine the Federal Government's share of Medicaid expenditures. The FMAP formula is designed to pay a larger Federal portion of Medicaid costs in states with lower per capita incomes than the national average.
- The US territories should be able to obtain a higher level of Medicaid Federal matching funds, like the states based on having similar lower per capital incomes than the national average.
- Under the Social Security Act, territories are considered States for under Medicaid, yet are not treated as the states for calculating the FMAP. While States with low per capita incomes are currently eligible for up to 83% in Medicaid matching funds, the territories are arbitrarily capped at 55% despite high levels of poverty.
- Applying the State FMAP formula to the territories would provide for a significant improvement in health care services in the territories.
- Without the higher Federal government's share of Medicaid costs available to states, territories face an increasing difficult task providing even urgent health care services.

Establish Equitable Formula for Medicaid and Medicare Disproportion Share Hospital (DSH)

- Territorial hospitals do not receive DSH payments even though they are precisely the types of hospitals for which the DSH program was created (they provide uncompensated care to large numbers of Medicaid and Medicare patients). DSH payments would help offset hospital uncompensated care costs and help maintain financial stability of safety net hospitals.
- DSH payments to hospitals should qualify for the same percentage of Federal funding available to territories for Medicaid.
- The proposal would provide an option to the territories who wish to participate in DSH payments for Medicaid inpatient hospital care to 100% of the costs of services provided for uncompensated care.

July 7, 2017

Honorable Orrin G. Hatch
Chairman
Committee on Finance
U.S. Senate
Washington, D.C. 20510

Honorable Ronald L. Wyden
Ranking Member
Committee on Finance
U.S. Senate
Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

We, the Governors, Delegates, and Resident Commissioner of the U.S. Territories, are writing to bring to your attention the Medicaid and Children's Health Insurance Program (CHIP) needs of our areas, and to seek your support to use reauthorization of CHIP to terminate or amend certain provisions of both CHIP and the Patient Protection and Affordable Care Act (PPACA) that unfairly disadvantage our areas.

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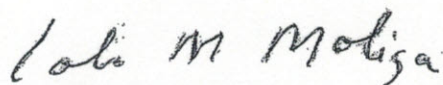
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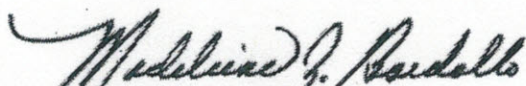
Enclosure

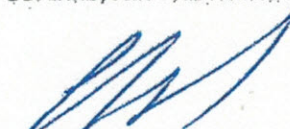
CC: Honorable Mitch McConnell, Majority Leader
Honorable Chuck Schumer, Minority Leader

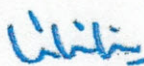

Amata Coleman Radewagen (American Samoa)
Member of Congress

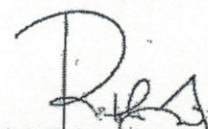


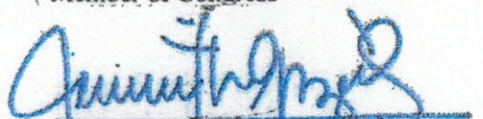
Lolo Matalasi Moliga
Governor, American Samoa

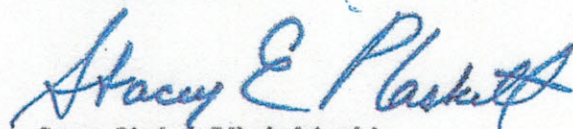

Madeleine Z. Bordallo (Guam)
Member of Congress

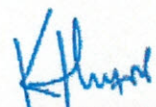

Eddie Baza Calvo
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Gregorio Kilili Camacho Sablan (Northern Mariana Islands)
Member of Congress


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